

Message Text

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ACTION EB-07

INFO OCT-01 EA-07 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 EPG-02 FAA-00 L-03
PA-01 PRS-01 SSO-00 INRE-00 NSCE-00 SS-15 NSC-05
/051 W

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FM AMEMBASSY MANILA

TO SECSTATE WASHDC IMMEDIATE 9972

C O N F I D E N T I A L MANILA 7673

E. O. 11652: GDS

TAGS: EAIR, RP, US

SUBJECT: CIVAIR -- ALL CARGO FREQUENCIES

REF: STATE 114609

1. BEFORE PROCEEDING FURTHER ON THE ALL-CARGO FREQUENCIES, WE SHOULD RECALL THAT THE DEPARTMENT INFORMED THE PHIL EMBASSY IN WASHINGTON ON FEBRUARY 28 THAT USCAB DISAPPROVED THE PAL APPLICATION FOR ALL-CARGO SERVICES ON THE GROUND THAT THE GOP HAD FAILED TO GIVE "SYMPATHETIC CONSIDERATION" TO THE U.S. AIRLINES' APPLICATIONS. STATE 65576.

2. THE DEPARTMENT EXPLAINED THAT BEFORE ENDORSING USCAB ACTION, IT HAD CAREFULLY CONSIDERED THE PROBABLE CONSEQUENCES. FURTHER, FLYING TIGERS IS AWARE OF POSSIBLE RETALIATION AGAINST ITS THREE WEEKLY FLIGHTS TO MANILA AND IS PREPARED TO SUFFER THE CONSEQUENCES. STATE 38949.

3. THE GOP, IN ITS NOTE OF MARCH 22, REPLIED THAT IT HAD BEEN GIVING FLYING TIGERS MORE THAN SYMPATHETIC CONSIDERATION, AUTHORIZING IT TO CO-MINGLE TRAFFIC ON A CIRCUITOUS ROUTE, TO ENGAGE IN FIFTH FREEDOM CARGO OPERATION, AND TO OPERATE IN EXPECTATION OF THE
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PHILIPPINES OBTAINING AND SECURING RECIPROCAL RIGHTS.
MANILA 4214.

4. REGARDING THE SETTLEMENT OF THE DC-10 CASE, ABOUT WHICH WE STILL HAVE ONLY A SECOND-HAND ORAL REPORT HERE, THE GOP, FOR THE LITTLE WE KNOW, SEEMS TO APPROACH THE SETTLEMENT WITH A FAVORABLE ATTITUDE. AS

REPORTED IN MANILA 7564, IT HAS ASKED PANAM TO
"MAKE AN OFFER," AND IT IS THE SHARED OPINION OF
THE LOCAL PANAM MANAGER AND OURSELVES THAT THE ULTIMATE
FINE WOULD BE EQUIVALENT TO THE \$25,000 WHICH PAL
REPORTEDLY HAS PAID. THE DC-10 CASE DOES NOT APPEAR
TO BE LINKED WITH THE ALL-CARGO FREQUENCIES IN THE
GOP CALCULUS.

5. IT SHOULD NOT COME AS A SURPRISE THAT THE GOP IS CON-
TEMPLATING WITHDRAWAL OF ITS PERMIT FROM FLYING TIGERS.
ITS PERMIT WOULD EXPIRE IN OCTOBER OR FLYING TIGERS LINE
WOULD HAVE TO OVERFLY MANILA BECAUSE OF ECONOMIC CONSI-
DERATIONS. SOONER OR LATER, "THE CONSEQUENCES" WOULD OCCUR.
AS AMBASSADOR SULLIVAN STATED IN MANILA 3527, "WE
WILL THEREFORE HAVE TO ACCEPT FACT THAT NET RESULT OF
THIS FOOT-SHOOTING EXERCISE WILL BE THE ELIMINATION
OF ONE U.S. CARRIER FROM THE MARKET."

5. FYI. A HIGH RANKING FTL OFFICIAL HAS BEEN QUOTED
TO US TO THE EFFECT THAT THEY WANTED TO GET OUT OF THE
PHILIPPINES (THE MARKET IS TERRIBLE NOW), BUT
IF THEY DID VOLUNTARILY, THEY WOULD NEVER GET BACK IN,
AND THEREFORE PREFER TO BE KICKED OUT (PRESUMABLY TO
RETURN ANOTHER DAY WITH USG SUPPORT).

6. IN THESE CIRCUMSTANCES, DEPARTMENT MAY WISH TO
CONSULT FURTHER WITH TIGERS, AND ALSO, SINCE
PREVIOUS LOCUS OF APPROACH TO GOP WAS PHIL EMBASSY
IN WASHINGTON, DEPARTMENT MAY WISH TO CONTINUE
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USING WASHINGTON LOCALE SO AS TO CONVEY TO THE GOP
THE SERIOUSNESS THE USG ATTACHES TO THESE DEVELOP-
MENTS.
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Message Attributes

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